



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

March 10, 1998

Mr. Joe G. Kircher
Vice President, Operations
Dakota Mining Corporation
410 Seventeenth Street, Ste. 2450
Denver, Colorado 80202

Re: Completion of Reclamation Requirements, USMX of Utah, Inc./Dakota Mining Corporation, Goldstrike Mine, M/053/005, Washington County, Utah

Dear Mr. Kircher:

I am writing this letter to follow up our February 19, 1998 meeting with Division of Water Quality personnel (Dennis Frederick, Larry Mize, Lyle Stott) in Salt Lake City, Utah. During that meeting we discussed the circumstances of Dakota Mining Corporation's (Dakota) present financial status and its potential impact on completing the remaining mine closure and reclamation requirements at the Goldstrike Mine. You indicated that Dakota was not presently in a favorable financial position to enable you to complete the remaining reclamation at this mine.

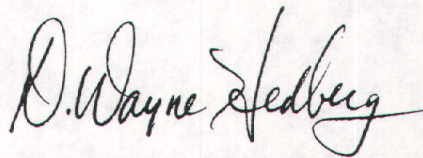
You discussed a conceptual proposal to both agencies regarding a final closure plan revision for the heaps which would involve direct land application of the heap effluent and natural attenuation by the native soils. This closure plan, once submitted to the regulatory agencies and found acceptable, would then enable the Division and BLM to release all (or portions of) the remaining reclamation surety costs held for final heap decommissioning activities. In theory, these monies could then be used as "seed money" to allow the remaining reclamation work to be initiated by an outside contractor. As additional reclamation work is performed, supplemental funds could then be released proportionately to complete the remaining reclamation.

At the conclusion of the meeting both agencies agreed that they would be willing to consider and evaluate your closure proposal once it is formalized in writing and received by our respective offices. We will strive to find a workable/reasonable solution, within our regulatory framework, to achieve our mutual goal of completing successful reclamation of the Goldstrike Mine in a timely and responsible manner.

Page 2
Mr. Joe Kercher
M/053/005
March 10, 1998

If you have any questions or concerns with the content of this letter, please contact me at
(801) 538-5286.

Sincerely,

A handwritten signature in black ink, reading "D. Wayne Hedberg". The signature is fluid and cursive, with the first name "D." and last name "Hedberg" clearly legible.

D. Wayne Hedberg
Permit Supervisor
Minerals Reclamation Program

jb
cc: Dennis Frederick, DWQ
Larry Gore, BLM, Dixie RA
Doug Jensen, USMX of Utah, Inc.
Mary Ann Wright, DOGM
M053005.rec